

September 6, 2007

The Honorable John Conyers, Jr.
Chairman
House Committee on the Judiciary
2138 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Howard L. Berman
Chairman
Subcommittee on Courts, the Internet,
and Intellectual Property
House Committee on the Judiciary
B-352 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Lamar S. Smith
Ranking Minority Member
House Committee on the Judiciary
B-351 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Howard Coble
Ranking Minority Member
Subcommittee on Courts, the Internet,
and Intellectual Property
House Committee on the Judiciary
B-336 Rayburn House Office Building
Washington, D.C. 20515

RE: AICPA Supports H.R. 1908, Patent Reform Act of 2007, Patents for Tax Strategies

Dear Chairman Conyers, Chairman Berman, Representative Smith, and Representative Coble:

The American Institute of Certified Public Accountants (AICPA) endorses H.R. 1908, the Patent Reform Act of 2007. The legislation would reform and update the patent process, and would prohibit patents on tax planning methods, which will benefit taxpayers and tax practitioners alike. We applaud your leadership on this important issue.

The AICPA is the national professional association of approximately 330,000 Certified Public Accountants throughout the country. We have worked closely with Congress and taxing authorities for many years to ensure equity, fairness and simplicity in our tax system. Our members play a major role helping millions of individual taxpayers and businesses, located in every state in the United States, to comply with federal, state and local tax law.

Important to the accounting profession, section 10 of H.R. 1908 would prohibit the granting of tax planning method patents. It would exempt tax preparation software so as to not affect products like TurboTax and TaxCut. The AICPA has a real concern that the growing number of tax planning method patents will interfere with the voluntary tax compliance system. H.R. 1908 solves this growing problem.

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In our view, patents granted for tax planning methods:


- Limit the ability of taxpayers to utilize fully interpretations of tax law intended by Congress;
- May cause some taxpayers to pay more tax than Congress intended and may cause other taxpayers to pay more tax than others similarly situated;
- Complicate the provision of tax advice by professionals;
- Hinder compliance by taxpayers;
- Mislead taxpayers into believing that a patented strategy is valid under the tax law; and
- Preclude tax professionals from challenging the validity of tax strategy patents.

Our analysis and recommendations are more fully stated in a paper sent to Members of Congress on February 28, 2007 and is available electronically at <http://tax.aicpa.org/Resources/Tax+Patents/AICPA+Urges+Congress+to+Address+Tax+Strategy+Patents.htm>.]

The AICPA strongly encourages Members of Congress to support H.R. 1908, and we hope that they will vote yes on the bill when it comes to the floor.

We look forward to working with you and the entire Congress on this issue. Once again, thank you for your leadership on this important issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Barry C. Melancon", with a stylized flourish at the end.

Barry C. Melancon, CPA
President and CEO